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U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
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INTRODUCTION

Good afternoon, Mr. Chairman and Members of the Subcommittee. I am pleased to have this opportunity to appear before you today, with my colleague Chuck Fox, to discuss the state of EPA programs under the Subcommittee's jurisdiction. I will give a brief overview of the Agency's fiscal year 2001 budget and address the current status and future direction of the Superfund, Brownfields, and Oil programs.

EPA and its partners have made significant strides in providing some of the best environmental and public health protections in the world, while maintaining a strong economy. Building on this record of success, the fiscal year 2001 budget charts a course designed to meet the environmental challenges of the 21st century. The President's fiscal year 2001 budget for EPA requests a total of \$7.3 billion to protect public health and the environment. It builds on

environmental progress made under the Clinton-Gore Administration and addresses our country's greatest environmental challenges – providing our children and communities with cleaner air, cleaner water, cleaner lands, and improved quality of life. Major environmental initiatives and on-going priorities include:

- **Cleaner Water.** The budget provides \$784 million for the Administration's Clean Water Action Plan, designed to finish the job of cleaning up America's waters. These funds will ensure that federal agencies, states, tribes, and local communities can work together in unprecedented ways to improve access to environmental information, enhance natural resource stewardship, protect public health, and restore the full use of America's lakes, rivers and bays
- **Cleaner Air.** The President is requesting \$215 million in fiscal year 2001 to support partnerships with states, tribal governments and local communities so that we collectively can work together to improve air quality across the nation. \$85 million is requested for the Clean Air Partnership Fund to provide a magnet for local innovation and investment in clean air. The President's request also includes \$227 million for the Climate Change Technology Initiative to expand voluntary programs that save energy costs and reduce global warming.
- **Protecting our Children.** The President's fiscal year 2001 budget for EPA provides \$68

million for children's health, in order to target environmental threats to children such as lead contamination and air pollution that causes asthma. \$75 million also is dedicated to implementation of the Food Quality Protection Act, which for the first time sets food safety standards designed specifically to protect children.

- **Providing for Communities.** The Information Integration Initiative, which is funded by \$30 million in the President's fiscal year 2001 budget, represents a fundamentally new approach to ensuring broad and immediate public dissemination of environmental data through the Internet and by other means. The Better America Bonds initiative is an innovative financial tool to provide communities with the resources necessary to address problems like brownfields, threatened water quality, shrinking parkland, and traffic congestion. Through \$690 million in tax credits over five years, Better America Bonds will support \$10.8 billion in bond authority over 5 years for investments by state, local, and tribal governments.

These innovative and cost-effective approaches to the protection of public health and the environment for all Americans and their communities represent an important investment in the 21st century.

EPA plays a critical role both in preventing and responding to waste-related or hazardous substance releases. The Superfund, Brownfields, and Oil programs share an important common goal of ensuring that America's wastes will be managed and remediated in ways that prevent harm to people and to the environment. As EPA cleans up previously polluted sites, the Agency

works to assist surrounding communities in restoring them to appropriate uses.

I am pleased to report to the Subcommittee on the significant progress we have made in achieving our goals for these programs under the Government Performance and Results Act. The Agency and its state and local partners have made great strides in achieving environmental results more quickly and at lower costs. Administrative reforms instituted by EPA have significantly increased the pace and lowered the cost of cleanups in the Superfund program; EPA completed construction at 85 National Priorities List (NPL) sites in fiscal year 1999, for a cumulative total of 670. The successful Brownfields program has provided vital resources for 307 communities across the nation to chart their own course towards revitalization, and by the end of fiscal year 2000, we expect to reach a total of 350 communities. The Oil program is working to control the cost and impact of oil spills by working to prevent them in the first place.

SUPERFUND PROGRAM

The Administration is requesting \$1.45 billion in discretionary budget authority and \$150 million in mandatory budget authority in support of the Superfund program for fiscal year 2001. The Superfund program directly supports the Administration's efforts to build strong and healthy communities for the 21st Century. Following EPA work to clean up Superfund hazardous waste sites across the nation, many of these sites have been put back into active use by local businesses or governments. The Superfund program is committed to involving citizens at sites in the cleanup process by keeping them well-informed and providing them with a meaningful role in the cleanup.

The Superfund program has achieved significant progress in cleaning up hazardous waste

sites and protecting public health and the environment. The Superfund Administrative Reforms have been successful in ensuring a fairer, more effective, and more efficient program. More than three times as many Superfund sites have had construction completed in the past seven years than in all of the prior twelve years of the program combined. As of September 30, 1999, 91% sites on the final NPL are either undergoing cleanup construction (remedial or removal) or are completed. In all, 48% of sites on the NPL have reached construction completion, and an additional 31% of sites on the NPL have cleanup construction underway. More than 1,000 NPL sites have final cleanup plans approved, and approximately 5,900 removal actions have been taken at hazardous waste sites to immediately reduce the threat to public health and the environment. Responsible parties continue to perform approximately 70% of new remedial work at NPL sites, and more than 31,800 sites have been removed from the Superfund inventory of potentially hazardous waste sites, in order to help promote the economic redevelopment of these properties.

Environmental indicators show that the Superfund program continues making progress in hazardous waste cleanup, reducing both ecological and human health risks posed by dangerous chemicals in the air, soil, and water. The Superfund program has cleaned over 216 million cubic yards of hazardous soil, solid waste and sediment, and over 325 billion gallons of hazardous liquid-based waste, groundwater, and surface water. In addition, the program has supplied over 431,000 people at NPL and non-NPL sites with alternative water supplies in order to protect them from contaminated groundwater and surface water. Over 22,900 people at NPL and non-NPL sites have been relocated in instances where contamination posed the most severe immediate threats.

Among the noteworthy achievements of EPA's Superfund Administrative Reforms, which will continue in fiscal years 2000 and 2001, are: 43 site decisions have been reviewed by the National Remedy Review Board, resulting in an estimated savings of \$60 million; 290 remedies have been updated based on changes in science and technology, resulting in a projected savings of over \$1.3 billion; over 250 projects have been evaluated since the establishment of the Risk-Based Priority Panel; and Community Advisory Groups have been established at 51 non-Federal sites (more than 100 already exist at Federal facilities). The successes realized throughout Superfund place the Agency in a unique position to achieve and expand Superfund accomplishments in the coming years.

States and Indian tribes are key partners in the cleanup of Superfund hazardous waste sites. With the 1998 release of the "Plan to Enhance the Role of States and Tribes in the Superfund Program," the Superfund program has provided opportunities for increased state and tribal involvement in the program. As a result, 19 pilot projects with states and tribes have been initiated.

Continued emphasis is being placed in several areas to ensure management improvements. The Regions will continue to enhance their procedures to assure data quality so that managers have the appropriate information to make short-term and long-term decisions. EPA will also continue efforts to shift towards performance-based contracts in implementing the program and work to improve the effectiveness of independent government cost estimates used to control contract costs.

In fiscal years 2000 and 2001, the Superfund Program will continue to emphasize the completion of construction at NPL sites and the use of removal actions to protect human health

and the environment. The Superfund program will continue to employ administrative reforms to ensure fairness, effectiveness, and efficiency in the way it conducts cleanups. The program also will work closely with potentially responsible parties (both federal and private) to leverage resources whenever possible.

Although EPA will maintain its current construction completion goal of 85 sites for fiscal year 2000, the goal will be 75 sites in FY 2001. The cumulative cleanup target for construction completes by the end of 2001 is 830. The President's goal of 900 construction completions is still scheduled to be achieved by the end of fiscal year 2002. The fiscal year 2001 construction completion target is principally a consequence of the \$100 million reduction (from \$1.5 billion to \$1.4 billion) in fiscal year 2000. The fiscal year 2001 budget request for Superfund reflects tough choices the Administration had to make in balancing its environmental priorities and fiscal responsibility.

The President's fiscal year 2001 budget requests reinstatement of all Superfund taxes (including excise taxes on petroleum and chemicals, and a corporate environmental tax). The Superfund tax authority expired December 31, 1995, discontinuing further tax collections. The Trust Fund balance (unappropriated balance) was roughly \$1.5 billion at the end of fiscal year 1999. The President's budget also requests \$150 million in mandatory budget authority to pay for orphan shares at Superfund sites.

EPA plays an important role both in preventing and responding to emergencies and disasters across the nation. Maintaining a strong National Response Team (NRT), which EPA chairs, is critical to highly effective emergency preparedness and response. The NRT oversees national, regional and local hazardous materials preparedness and response activities. In addition, under the Federal Response Plan, EPA works with Federal Emergency Management

Agency and other federal agencies to respond to catastrophic and natural disasters involving hazardous materials. A good example of how EPA is asked to perform in such emergency situations occurred in the recent response to Hurricane Floyd, which caused massive flooding in North Carolina. Over the next two years, EPA will be concentrating its emergency preparedness efforts on testing emergency response procedures across all levels of government, incorporating lessons learned about major incidents, improving inter-agency communication, and promoting the use of training programs in crisis management response.

BROWNFIELDS INITIATIVE

The Agency is requesting \$91.7 million in fiscal year 2001 to support the Brownfields Initiative. This initiative empowers states, local governments, communities, and other stakeholders interested in environmental cleanup and economic redevelopment to work together to prevent, assess, safely clean up, and reuse brownfields. The Brownfields Initiative plays a key role in the Administration's goal of building strong and healthy communities for the 21st century. Brownfields are abandoned, idled, or under-used industrial and commercial properties where expansion or redevelopment is complicated by real or perceived contamination. The General Accounting Office has estimated that there are over 450,000 brownfields properties across America.

EPA Administrator Carol Browner announced the Agency's Brownfields Initiative on January 25, 1995. Significant environmental results have already been achieved. The Agency has awarded 307 assessment pilots to local communities. These pilots have resulted in the assessment of 1,687 brownfields properties, cleanup of 116 properties, redevelopment of 151

properties, and a determination that 590 properties did not need additional cleanup.

The Brownfields Initiative has also generated significant economic benefit for communities across America. To date 1,580 cleanup jobs and 4,300 redevelopment jobs have been generated as a result of the program. In addition, pilot communities have already reported a leveraged economic impact of over \$1.6 billion.

The Administration's Better America Bonds initiative significantly strengthens the Agency's commitment to helping communities with brownfields. The Administration has proposed \$690 million in tax credits over five years to support \$10.8 billion in bond authority. A portion of these resources are to be used by local governments to clean up and redevelop brownfields. Mayors across the United States have expressed their need for acquisition of greenspace, preservation of ecosystems, and clean up of brownfields.

In fiscal years 2000 and 2001, the Brownfields National Partnership will continue to represent a significant investment in brownfields communities. Federal resources include: additional brownfields pilots from EPA; redevelopment funds from the Department of Housing and Urban Development and the Department of Commerce's Economic Development Administration; and job training efforts from the Department of Labor, the Department of Health and Human Services, the Department of Education, and the Department of Veterans Affairs. An April 1999 Government Accounting Office report found that, through the Brownfields National Partnership, agencies have provided more than \$400 million in assistance to brownfields, leading to improved programs and better coordination.

The centerpiece of the Brownfields National Partnership is the Brownfields Showcase Communities project. Under this program, the federal partners designated 16 communities in

1998 to serve as national models demonstrating the benefits of collaborative activity to clean up and redevelop brownfields. The Partnership is providing a range of technical, financial, and staffing support, depending on the particular needs of each community. These showcases are beginning to yield results, and the federal partners are planning to designate an additional 10 new Showcase Communities in fiscal year 2001.

The Agency will also continue to rely on building partnerships with local government, states, and non-government groups to leverage private sector funding. As part of the Brownfields Initiative, EPA will continue to provide outreach, curriculum development, job training, and technical assistance to community residents through cooperative agreements to community-based organizations, community colleges, universities, and private sector non-profit groups. The Agency will also work with cities, states, federally recognized Indian tribes, community representatives, and other stakeholders to implement the many commitments.

In fiscal year 2000, the Agency will fund as many as 50 additional Brownfields Site Assessment Demonstration Pilots for up to \$200,000 each. In addition, EPA will provide funding to 40 existing Brownfields Site Assessment Demonstration Pilots for up to \$150,000 each for continuation and expansion of their brownfields efforts. In fiscal year 2001, the Administration has requested \$8 million to provide supplemental funding and technical support to 40 assessment pilots at up to \$200,000 each. New and ongoing pilots will continue to provide EPA, states, local governments, and federally recognized Indian tribes with useful information and new strategies for promoting a unified approach to environmental site assessment and characterization, and redevelopment. These demonstration pilots are estimated to address 5 to 15 potentially contaminated properties in the participating communities. EPA's limited

participation helps leverage further cleanup work at the properties and promotes economic revitalization.

In fiscal years 2000 and 2001, EPA also will continue to support its Targeted Brownfields Assessment program. This program provides assistance for preliminary assessments and site investigations using standard methodology established by the American Society for Testing Materials. Most of the funding goes to support state brownfields assessment programs. These sites are normally abandoned, publically-owned sites.

In both fiscal years 2000 and 2001, funding to support the expansion, enhancement, and development of state Voluntary Cleanup Programs (VCPs) will continue to be an important activity in the Agency's attempt to reuse and redevelop brownfields properties. EPA provides both monetary and technical/legal assistance to states and tribes developing and enhancing VCPs. VCPs address contaminated sites which do not require federal action, but which need cleanup before the sites are considered for reuse. The Agency believes that building strong and effective state and tribal programs, such as VCPs, will also complement efforts to address the cleanup of brownfields properties. EPA, however, does not fund the actual site-specific oversight of the cleanups.

In fiscal year 2000, to further enhance a community's capacity to participate in Brownfields redevelopment, the Agency will fund 60 communities to capitalize Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilots at up to \$500,000 each. Communities completing their Brownfields Site Assessment Demonstration Pilot activities or those that have performed a targeted brownfields assessment are eligible to apply for BCRLF pilots. The support enables pilots to develop cleanup strategies, make loans to prospective

purchasers to clean up properties, and encourage cities to leverage other funds into their revolving loan fund pool.

Since October 1999, Stamford, CT, the first BCRLF pilot to make a loan, has made two loans. Their first \$250,000 loan is expected to leverage \$50 million of private redevelopment funds and generate 200 construction jobs and 12 full-time permanent administrative jobs. Stamford's second loan, in the amount of \$160,000, is expected to be used to build a Harley Davidson dealership. Las Vegas, NV, the second BCRLF pilot to issue a loan, has loaned \$50,000 for clean up of a former National Guard Armory site, and the money already has been used for this purpose. In fiscal year 2001, the Agency has requested funding for 70 communities to capitalize BCRLFs.

To augment communities' capacities to clean up brownfields properties in both fiscal years 2000 and 2001, EPA will fund 10 additional job training pilots each year at up to \$200,000 each. In addition, EPA will continue to provide \$3 million to the National Institute for Environmental Health Sciences to support worker training for brownfields sites.

In fiscal year 2000 and 2001, EPA will continue to explore connections between Resource Conservation and Recovery Act (RCRA) corrective action sites and the prevention/cleanup of brownfield properties. In 1999, a National Workgroup, made up EPA Headquarters and Regional staff, was formed to raise awareness of RCRA/Brownfields issues among communities, lenders, developers, business, and other brownfields stakeholders. In 2000, the group will initiate small-scale, pragmatic, and short-term RCRA/Brownfields pilot projects to serve as "learning laboratories." These unfunded pilots will provide policy suggestions and case studies for similar sites across the country and serve as models for reuse of RCRA facilities.

The Agency will continue to study the connection between Brownfields and Clean Air Act goals and requirements in fiscal years 2000 and 2001. EPA is working on a joint project with the Department of Commerce's Economic Development Administration, the U.S. Conference of Mayors, and the cities of Baltimore, Chicago, and Dallas to provide communities with greater flexibility in meeting air quality and brownfields redevelopment needs.

OIL PROGRAM

The Administration is requesting \$15.7 million in fiscal year 2001 to support the Oil program. Oil spills: contaminate drinking water supplies; cause fires and explosions; kill fish, birds, and other wildlife; destroy habitats and ecosystems; and impact the food chain. Oil spills have serious economic consequences, because of their impact on commercial and recreational uses of water resources. The goal of EPA's Oil program is to protect public health and the environment from these hazards. The Oil program was strengthened by the Oil Pollution Act of 1990 (OPA), which was precipitated by two notable accidental oil discharges into the environment: the Ashland Oil Tank Collapse of January 2, 1988, and the Exxon Valdez tanker spill of March 24, 1989. Each year more than 24,000 oil spills occur, well over half of them within the inland zone, over which EPA has jurisdiction. On average, one spill of greater than 100,000 gallons occurs very month from oil storage facilities and the entire transportation network.

The EPA Oil program works to prevent, prepare for, and, most critically, respond to all spills to the inland waterways over which the Agency has jurisdiction. Over the past four years (1996 - 1999), EPA has received and evaluated approximately 35,000 oil spill notifications,

served as lead responder at 358 of the worst of these oil spills, and shared cleanup responsibility with another party for approximately 675 responses. EPA uses its appropriated money to set up and maintain the response infrastructure, while OPA Trust Fund money is available to finance the actual response work.

In addition, the Oil program oversees the implementation of regulatory requirements to prevent and prepare for spills at more than 450,000 EPA-regulated oil storage facilities. All regulated oil storage facilities must prepare Spill Prevention, Control and Countermeasures (SPCC) plans. Certain high-risk oil storage facilities also must prepare Facility Response Plans (FRPs) to identify and ensure the availability of resources to respond to a worst-case discharge, establish communications, identify an individual with authority to implement removal actions, and describe training and testing drill exercises at the facility. To help the federal government prepare for large worst-case responses, EPA also participates in Area Committees (comprised of state, local and federal officials) to develop Area Contingency Plans (ACPs). These plans detail the responsibilities of those parties involved in planning the response process, describe unique geographical features of the area covered, and identify available response resources and their location.

EPA's top priorities for fiscal years 2000 and 2001 are to respond to all oil spills that the responsible party, state or local government is unable to fully address. In addition, EPA increasingly will focus its efforts on prevention activities at its 450,000 SPCC regulated facilities and on preparedness activities such as Area Contingency Planning. EPA will be redirecting resources, relative to fiscal year 1999 levels, away from Facility Response Planning activities to these other activities.

CONCLUSION

EPA's priorities and budget request for fiscal year 2001 focus on the importance of building strong and healthy communities for the 21st century. I believe this goal holds particularly true for the cleanup programs described in my testimony today. The fiscal year 2001 budget reflects the Administration's continuing commitment to address environmental problems posed by Superfund sites, brownfields, and oil pollution. Environmental problems don't just exist in the abstract; they affect thousands of communities across the Nation. While we have made great progress in addressing these environmental problems, more needs to be done.